REMARKS/ARGUMENTS

Favorable reconsideration of this application, as presently amended and in light of the following discussion, is respectfully requested.

Claims 1-11, 13-18, 20-34, 37, 38 and 46-56 are pending in the present application, Claims 1 and 46 having been amended. Applicants respectfully submit that support for the present amendment is self-evident from the originally filed specification. No new matter is added.

In the outstanding Office Action, Claims 1-11 were rejected under 35 U.S.C. § 101; Claims 1, 3-11, 46, 48-50 and 53 were rejected under 35 U.S.C. § 103(a) as unpatentable over Erlanger et al. (U.S. Patent No. 6,594,635 B1, hereinafter "Erlanger") in view of Wu (U.S. Patent No. 7,200,570), and in further view of Kinney, Jr. et al. (U.S. Patent No. 6,871,191, hereinafter Kinney); and Claims 2, 47, 51 were rejected under 35 U.S.C. § 103(a) as unpatentable over Erlanger, Wu, Kinney, and Klaus (U.S. Patent No. 7,080,020).

Applicants respectfully submit that the amendment to Claim 1 overcomes the rejection under 35 U.S.C. § 101. Claim 1 is amended to more clearly describe that the method is tied to a particular machine, in line with the *In re Bilski* decision of the Federal Circuit. Thus, amended Claim 1 is directed toward a statutory method.

With respect to the rejection of Claim 1 as obvious over Erlanger, Wu and Kinney, Applicants respectfully submit that the amendment to Claim 1 overcomes this ground of rejection. Amended Claim 1 recites, *inter alia*,

> ***ranking***, at an auction ranking element engine, ***the bids of the reinsurees***, wherein the ranking of the bids at least considers a calculated profitability value and a time stamp associated with each of the bids an older time stamp resulting in a higher ranking for a given bid and a higher calculated profitability resulting in a higher ranking for a given bid.

Erlanger, Wu and Kinney do not disclose or suggest at least this feature of amended Claim 1.

With respect to ranking bids, page 4 of the Office Action refers to column 16 of Erlanger. Particularly, column 16, lines 44-53, of Erlanger describes quotes from two insurers (A and B), and identifying the insurer with the lowest quote as the selected insured. Assuming *arguendo* that this portion of Erlanger involves ranking, this section of Erlanger pertains to ranking insurers. However, the invention defined by amended Claim 1 refers to ***ranking the bids of the reinsurees***. The insurer A and the insurer B discussed in column 16 of Erlanger are not bids of the reinsurees.

Not only is there no ranking of bids of reinsurees in Erlanger, there is no ranking of these bids based on a time stamp and a calculated profitability value for these reinsuree bids.

Wu has been considered by does not cure the above-noted deficiencies in Erlanger. Wu describes a system for conducting auctions. However, Wu does not describe insurance or reinsurance, and does not disclose or suggest applying any auction techniques of Wu to an insurance or reinsurance auction. While Wu indicates that the bids are evaluated according to criteria that are functions of attributes of the bids (see column 2, lines 30-45 of Wu), there is no particular description of ranking bids from a reinsuree based on a calculated profitability value of the reinsuree bid and a time stamp associated with each of such bids, wherein an older time stamp results in a higher ranking for a given bid and a higher calculated profitability results in a higher ranking for a given bid. Furthermore, Wu indicates that the attributes associated with a bid are set by the bidders themselves. However, the bidders themselves in Wu cannot calculate the profitability value of their bid, and do not set the time stamp.

Furthermore, Kinney has been considered but does not cure the deficiencies in Erlanger. Kinney describes a method and system for conducting electronic online auctions, but is silent in regard to any auctions that pertain to insurance or reinsurance products.

Furthermore, there is no ranking of bids from reinsurees, wherein the bids are arranged according to calculated profitability value and a time stamp associated with such bids.

In view of the above-noted deficiencies, a person of ordinary skill in the art cannot combine Erlanger, Wu, and Kinney to arrive at the invention defined by Claim 1.

In view of the above-noted distinctions, Claim 1 (and any claims dependent thereon) patentably distinguish over Erlanger, Wu, and Kinney, taken alone or in proper combination.

Furthermore, Applicants respectfully traverse the rejection of Claim 9. Claim 9 recites "wherein the return on sales *ratio* is a selling price minus a fair risk price *divided* by the selling price or the selling price *divided* by the fair risk price." Paragraph 10 at page 9 of the Office Action refer to Wu as describing this element of Claim 9. Initially, it is noted that the Office Action fails to recognize that Claim 9 recites a return on sales *ratio*, and not merely a return on sales. The Office must give weight to the word "ratio."[1]

Furthermore, the outstanding Office Action at page 9 states that the specification states "there is no set or preferred profitability calculation." However, this does not allow the Office to ignore the express features of Claim 9. The "return on sales ratio" of Claim 9 includes a division by either the selling price or the fair list price. The section of Wu cited by the Office Action only pertains to selling price minus default configuration costs and the extra costs of upgrade, and there is no division by the selling price or the fair list price. Thus, the position taken on page 9 of the Office Action with respect to Claim 9 and Wu is incorrect.

Claim 46, although of a different statutory process, recites elements analogous to those of Claim 1 and Claim 9. For example, Claim 46 recites

> ...rank bids submitted to the database via the web
> server from reinsurees, wherein the ranking of the bids of
> the reinsurees at least considers a calculated profitability
> value of the bids of the reinsurees, the calculated
> profitability value being a return on sales ratio being a
> selling price divided by the fair risk price, and a time stamp

---

[1] *See*, In re Wilson, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970).

associated with each of the bids, a higher calculated profitability value for a given bid and an older time stamp for the given bid resulting in a better ranking level when compared to another bid that has lower calculated profitability value and a newer time stamp.

As characterized above, <u>Kinney</u>, <u>Wu</u>, and <u>Erlanger</u>, taken alone or in proper combination, do not disclose or suggest at least these features of amended Claim 46.
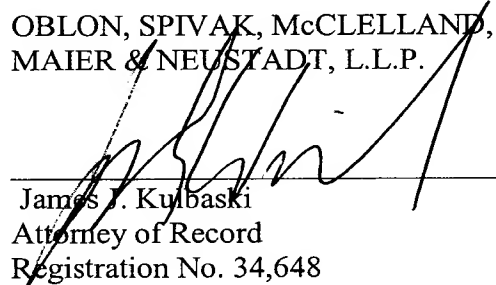
Thus, Claim 46 (and any claims dependent thereon) patentably distinguish over <u>Erlanger, Wu, Kinney</u> or any proper combination, for at least the reasons stated for Claim 1.

Addressing each of the further rejections, each of the further rejections is also traversed by the present response as no teachings in any of the further cited references to <u>Klaus</u> can overcome the above-noted deficiencies of <u>Kinney</u>, <u>Wu</u>, and <u>Erlanger</u>. Accordingly, it is respectfully requested that those rejections be withdrawn for similar reasons as discussed above.

Consequently, in light of the above discussion and in view of the present amendment, the present application is believed to be in condition for allowance and an early and favorable action to that effect is respectfully requested.

Respectfully submitted,

OBLON, SPIVAK, McCLELLAND, MAIER & NEUSTADT, L.L.P.

James J. Kulbaski
Attorney of Record
Registration No. 34,648

Joseph Wrkich
Registration No. 53,796

Customer Number

22850

Tel: (703) 413-3000
Fax: (703) 413-2220
(OSMMN 08/09)
1795370_1.DOC

9